



Director of
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Intelligence

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CENTRAL AMERICA: Guatemalan Opposition Fragmenting

//The postelection coalition of Guatemalan opposition parties is beginning to break up in the face of the regime's firm stand and the government-controlled legislature's selection on Saturday of General Guevara as President. [redacted]

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//Guatemalan rightist candidate Anzueto's withdrawal of his party from the antigovernment coalition weakens opposition efforts to force an annulment of the disputed presidential election. [redacted]

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Guevara and his key supporters are said to be willing to offer posts to Anzueto and centrist candidate Maldonado, but rightwing leader Sandoval is likely to be excluded. Sandoval reportedly is hoping the Army will intervene to set aside the election and form a coalition government that would include his party. Sandoval's armed supporters, previously assembled in the capital, reportedly are beginning to disperse. [redacted]

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Comment: Guevara appears to have outlasted his opponents and will take office with a minimum of concessions. The chance of a military coup is remote, despite some pro-Sandoval sentiment within the officer corps. [redacted]

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Sandoval's supporters may engage in sporadic anti-regime violence unless they are granted additional congressional seats or other government posts. A few Christian Democrats may join the new administration, but many will go into exile or collaborate with the leftist guerrillas. [redacted]

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PAKISTAN: Domestic Troubles

The current round of unrest in Pakistan does not as yet threaten President Zia's rule, but arrests yesterday in the capital of the North-West Frontier Province--which had until now escaped the recent law-and-order crackdown--indicate that trouble is spreading [redacted]

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Authorities yesterday used tear gas against the members of a banned political party that held a demonstration in Peshawar despite the closing of three universities in an effort to prevent it. The meeting was called after the murder last week of a former Province Governor who was also prominent in the leftist opposition party. Although his killer is unknown, politicians used the funeral to make strong antiregime statements. [redacted]

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In Islamabad a college was closed after a student quarrel led to the death of one student, while in Sind Province, students protesting alleged police excesses in the recent wave of mass arrests joined teachers on the streets striking for higher wages. Punjab and Sind Provinces have been the main targets of the arrests until now. [redacted]

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Comment: Zia's crackdown may have been motivated in part by the hope of forestalling a repetition of events at the same time last year when a wave of student unrest posed the most serious threat to the regime since Zia came to power in 1977. [redacted]

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The North-West Frontier Province--now the home of the majority of Afghan refugees--has long been difficult to control, and trouble there could worsen political tension throughout the country. If the murderer is revealed to be either rightist or an Afghan--as some in the party have claimed--then clashes between the left and the right, or between local residents and Afghan refugees could break out and easily turn the public against the government. [redacted]

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WESTERN SAHARA: Mediation Efforts Falter

The OAU effort to mediate the dispute over Western Sahara is in danger of collapse, and any progress toward a negotiated solution is likely to depend on secret contacts among the parties to the dispute.

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//Mistrust among the disputants has grown in recent months, hampering the effort of the already divided OAU mediation committee. The Algerians, the principal backers of the Polisario guerrillas, believe that closer US-Moroccan military ties have encouraged Moroccan intransigence and opposition to a legitimate referendum. The Moroccans take a similar view of Algeria's support for the admission of the Polisario to the recent OAU ministerial session in Addis Ababa.//

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Both the Moroccans and the guerrillas are preparing for renewed fighting. They are now concentrating, however, on urging other OAU members to support their respective positions at the OAU summit scheduled for early August and are avoiding the onus for causing the collapse of the OAU mediation effort.

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Comment: //Kenyan President Moi, the OAU chairman, may not make much additional effort, in view of the dimming prospects for a political settlement.

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WEST GERMANY: Arms Export Policy

//Social Democratic and Free Democratic parliamentary deputies have endorsed the Federal Security Council's new guidelines for arms exports and coproduction projects that the cabinet will use to draft a new policy later this month.//

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//The previous prohibition of exports to "areas of tension" will be modified to permit such sales when they are deemed essential for the political and security interests of West Germany and NATO. A determination of whether the sale would enhance or detract from the regional balance of power also will play an important role.//

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//In exchange for granting the government more statutory flexibility, representatives of both coalition parties had hoped to establish a parliamentary oversight committee to review proposed sales and joint production projects with foreign firms. Because of the government's insistence on retaining sole decisionmaking authority, however, it is now proposed that parliamentary "consultation" be limited to having the chairmen of all parliamentary party factions--each accompanied by an expert--attend security council meetings.//

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Comment: //Although the government has succeeded in loosening statutory restrictions, political considerations are still likely to bind its hands on controversial sales. Given the coalition's difficulties, the government probably will postpone decisions on sensitive exports, such as sales to Saudi Arabia, as long as possible.//

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//In the longer term, however, the increased flexibility should lead to greater use of arms sales as a tool of security and foreign policy. Bonn will hope that Washington will view increased sales of West German arms to Southwest Asia as evidence of a West German contribution to that region's stability. West German armaments manufacturers will now see some prospect for offsetting anticipated cutbacks in equipment procurement for the armed forces.//

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SPAIN: Prospects for Early Elections

//Prime Minister Calvo Sotelo's authority is threatened by incipient defections from his party, making it unlikely that he can delay elections until his nominal mandate expires next March.//

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//Defections from government ranks in parliament by members of the ruling Union of the Democratic Center party since last November have already significantly reduced the party's plurality. Defections in the next two months could make its position untenable.//

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Comment: //The fragility of Calvo Sotelo's hold on government was demonstrated earlier this week when the Union lost a vote on the Valencian autonomy statute, one which all concerned agreed was not a confidence vote. The outcome calls into question the government's ability to deal with several controversial bills that are impending, particularly if Suarez follows through on his plans.//

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//The current system of temporary alliances on specific legislation will be more difficult to maintain as opposition parties sense the government is losing control. It is likely to encounter increasing pressure to go to the polls by mid spring.//

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NORWAY: Natural Gas Development

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//The Norwegians have been reluctant to increase their oil and gas production in order to avoid disrupting their domestic economy. This has led them to place ceilings on oil and gas production. The current soft oil market, however, has already reduced the government's projected revenues for the next four years from \$28 billion to \$15 billion, which may cause Oslo to accelerate both gas and oil production.// [Redacted]

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Comment: //An accelerated development program would enable Norway by the mid-1990s to offer the West Europeans 30-40 billion cubic meters of gas annually--roughly the amount to be supplied by the Soviet pipeline. Norway might be able to supply an additional 10-15 billion cubic meters annually by as early as 1990.// [Redacted]

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//The Norwegian gas would be in addition to the Soviet gas and could help the Europeans keep their purchases of Soviet gas to the agreed minimum if they chose to do so. To compete with Soviet gas exports, however, Norway will need to become more flexible on pricing.// [Redacted]

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POLAND: Church-State Impasse

According to the Western press, Archbishop Glemp yesterday made his strongest public statement to date supporting the release of Lech Walesa and other internees and the resumption of a national dialogue. The Primate celebrated Mass in a working-class district of Warsaw that is a Solidarity stronghold and then addressed a crowd of 20,000, which he called the largest audience to congregate since the imposition of martial law. Meanwhile, a key negotiator in Church-State talks recently told US Embassy officials that the regime has not responded to the Polish bishops' communique two weeks ago that had urged a resumption of the government's dialogue with Solidarity. He stressed that the Church had done all it could as a mediator.

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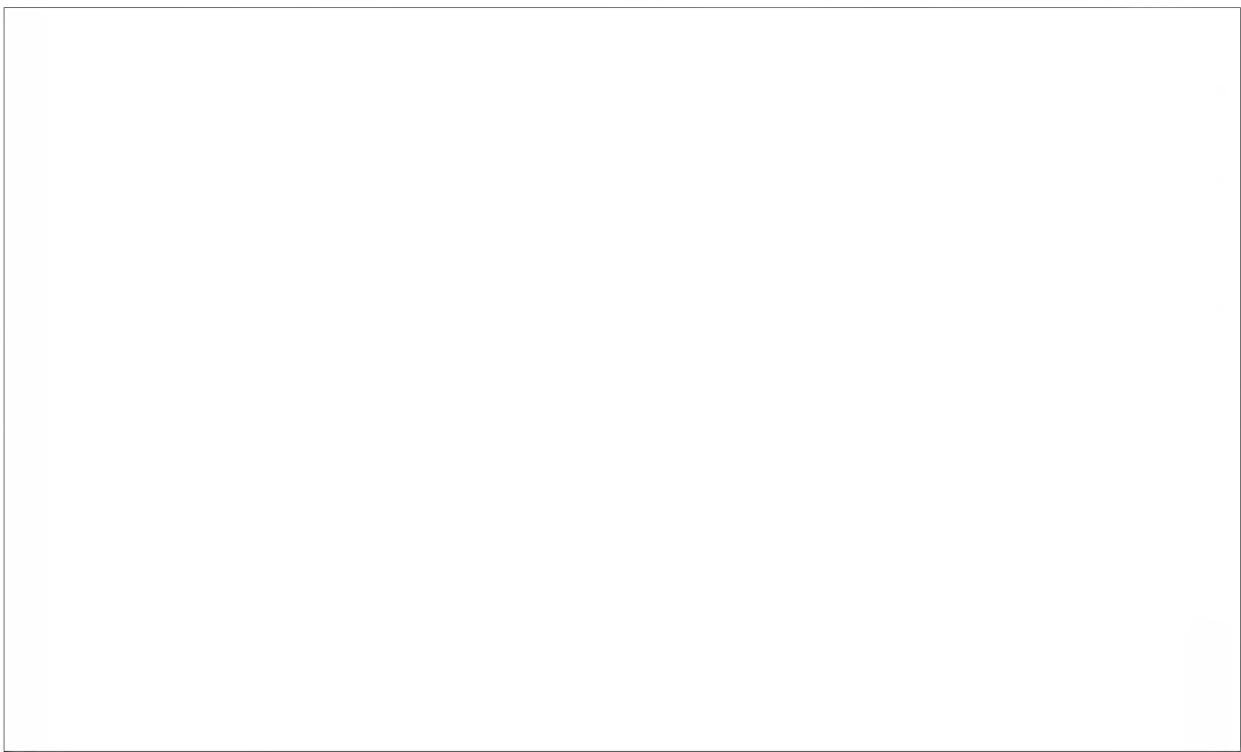
Comment: Glemp's remarks--even though not combative--reflect his own growing frustration at the current stalemate, as well as the need to respond to public unhappiness at his seemingly ambiguous position on these issues.

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MOROCCO - WESTERN SAHARA: Additional Airstrike

//After an unsuccessful airstrike earlier this month against a major Polisario camp in Western Sahara, last week the Moroccan Air Force launched at least one additional attack. More than 13 buildings were damaged by the recent bombings.//

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Comment: //The Polisario camp is the most sophisticated installation associated with guerrilla forces and may have served as their forward headquarters.//

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The impact of the airstrike on guerrilla capabilities, therefore, probably was minimal.//

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USSR-NAMIBIA: Soviet Media Commentary

The Soviets are now insisting in public that a Cuban troop withdrawal from Angola can be considered only after a settlement and a South African troop withdrawal from Namibia. *Izvestia* claimed last week that "there are no legal grounds" for linking the two issues and accused the US of raising the Cuban troop issue to delay a decision and thus shift the blame on the USSR for not resolving the dispute. [redacted]

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Izvestia also charged US and South Africa with pressing the Frontline States to accept the Western position. [redacted]

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Comment: The tougher public line follows a recent meeting of leaders of the Frontline States, the Southwest Africa People's Organization, and the African National Council that apparently adopted a stronger position on dealing with South Africa. [redacted]

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JAPAN-CARIBBEAN: Aid Initiatives Unlikely

Officials in the Japanese Ministry of Foreign Affairs recently told the US Embassy that Foreign Minister Sakuruchi will bring no specific commitments on aid to the Caribbean when he visits Washington this week. Although the Foreign Ministry hopes to identify new aid projects by June, it still does not expect any substantial increase in aid to the region. In addition, the Ministry believes the area's instability and marginal commercial interest hurt the prospects for increased trade and investment by Japanese business. [redacted]

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Comment: Japan has only peripheral economic and foreign policy interests in the Caribbean. To the extent Tokyo does increase aid to the region, it will be motivated by a desire to deflect US pressure on the trade and defense issues. [redacted]

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CHINA-TAIWAN: Political Maneuvering

Beijing's announcement that it will not attend the softball tournament in Taipei in July if Taiwan's flag is flown underscores its belief that the question of sovereignty over Taiwan is more important than any propaganda benefit that might be derived from the games. China states that Taiwan, as a province of China, has no "national flag." Moreover, the Chinese-controlled press in Hong Kong has criticized the US for what it calls interference in the preparations for the tournament, claiming that Washington wants to create "two Chinas" in order to facilitate arms sales to Taiwan. China now wants the tournament site moved.

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Comment: Although the Chinese originally regarded the tournament as a means of demonstrating success in increasing direct contacts with Taiwan--and a prelude to reunification. They now apparently believe that participation under Taiwan's flag might be construed to be a tacit acknowledgement of Taiwan's independent status. Taiwan probably intended to portray the Chinese participation in exactly this way, and--as the host country--will continue to insist on its right to fly its flag. At this point, the prospect that China will send a team to Taipei is remote.

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SPECIAL ANALYSIS

USSR: Succession Infighting Intensifies

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President Brezhnev, in the aftermath of senior party secretary Suslov's death, moved decisively to signal his preference in the succession sweepstakes for his friend and protege, Politburo member Chernenko. Some behind-the-scenes opposition has developed to Brezhnev's actions, but this sniping poses little threat to his position. The attacks, however, indicate that succession maneuvering is likely to intensify in coming months and increasingly will preoccupy the Soviet leaders. [redacted]

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Following Suslov's death, Brezhnev moved quickly to place Chernenko, and not his chief succession rival and long-time party secretary Kirilenko, in Suslov's position as the party's unofficial second secretary. Brezhnev vaulted Chernenko over his rival in the leadership protocol rankings and gave him some of Suslov's duties. For example, the President included Chernenko in the delegation that met with Polish officials and chose him as head of the group attending the French Communist Party congress. [redacted]

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Without these decisive moves, Kirilenko's strength in the party probably would have resulted in his becoming "second secretary." Given Brezhnev's failing health--

[redacted] --the poor performance of the Soviet economy, and the mixed results of his policy abroad, he probably felt such an accumulation of power in Kirilenko's hands would be dangerous. On the other hand, pushing Chernenko into this position did not carry such a risk because Chernenko is Brezhnev's protege and lacks the power to act independently of the Soviet leader. [redacted]

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Rumors Versus Brezhnev's Power

Brezhnev's intrigues and his declining health have apparently inspired some opposition. An anticorruption campaign sponsored by Chernenko is being used to embarrass both Chernenko and Brezhnev. [redacted]

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Rumors have been planted with Western correspondents linking Brezhnev's children to corruption scandals, and hints have surfaced that Brezhnev is at odds with some officials in the KGB over protecting his family. In addition, some unflattering articles have appeared in the Soviet press that can be read as thinly veiled attacks on Brezhnev. [redacted]

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This sniping is probably troublesome and embarrassing to Brezhnev, but it is not particularly threatening. Such attacks, in fact, are risky and may reflect the desperation of those who oppose Brezhnev's recent moves. [redacted]

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Brezhnev has clearly demonstrated that he still controls events. He has strengthened Chernenko's position, attacked Kirilenko's, and made some key personnel changes. For example, he promoted a crony to the key post of first deputy chairman of the KGB, a move that belies the image that he is having difficulty with this organization. He also removed the trade union chief, who may have been supported by Suslov and Kirilenko, and replaced him with an official indirectly criticized by Kirilenko earlier. [redacted]

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Infighting Will Intensify

Whether Brezhnev intended it or not, his recent actions have put the succession at the top of the leadership's agenda. The coming plenum of the Central Committee--probably to be held within the next several months--could produce significant personnel changes. [redacted]

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Chernenko, despite his recent success, does not have a lock on the succession. Having been a staff man for most of his career, he does not have the kind of executive experience that past party leaders have had. While Chernenko will attempt to improve his position further, it is unlikely that Brezhnev will name him as heir apparent. Brezhnev may believe that Chernenko would protect his historical legacy, but he is well aware that conferring such power on even a friend could endanger his own position. [redacted]

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With Brezhnev gone, Chernenko's rivals, Kirilenko particularly, could probably defeat him unless he obtains additional help. Despite Kirilenko's current difficulties, he remains a formidable opponent if he can hang on. He has considerable experience as a party manager and in the past has acted for Brezhnev during his vacations and illnesses. [redacted]

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As an original member of the group that replaced Khrushchev, Kirilenko has had considerable opportunity to build a client network that would serve him well in a succession struggle. Even if he falters, other more junior leaders such as Moscow party boss Grishin are likely to contest Chernenko's claim. [redacted]

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Outlook

While Brezhnev remains on the scene, this infighting is not likely to lead to significant policy changes. The debate over policy, nonetheless, will probably heat up, and some signs of dissension have already appeared. A change in investment strategy probably favored by Kirilenko was openly advocated in a recent *Pravda* article. [redacted]

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Those who oppose Brezhnev's political maneuvering may try to raise other issues in an attempt to put him on the defensive and complicate his political strategy. Brezhnev will work to keep policy on its current track, thereby avoiding the political risks that advocacy of major changes would entail. [redacted]

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